


CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 400-02	HISTORY	
	DATE: October 25, 2011*	FILE #	DATE
	FILE NUMBER: 80826		
	DEPARTMENT: Treasury		

*Replaces rescinded Policy #500-01, File #21160, 4/22/1969

SUBJECT: CHARGING OFF UNCOLLECTIBLE ACCOUNTS

PURPOSE: To establish a policy for charging off certain uncollectible accounts off the City's books.

POLICY:

The following is the policy of the City Commission with respect to which a determination of uncollectible accounts will be made by the City Treasurer as, from time to time, certain uncollectible accounts not governed by other statutes need to be charged off the City's financial reporting records.

1. Accounts involving any tort claim that have been forwarded to the City Attorney for review and/or collection that upon written e-mail or report by a City Attorney to the City Treasurer that the claim is in the Attorney's opinion uncollectible.
2. Accounts representing any unpaid City invoice or part of the balance of any unpaid City invoice as reflected in the City's financial reporting records in any of the following situations:
 - a. Upon written e-mail or report by the City Attorney to the City Treasurer that the invoice is in his/her opinion uncollectible.
 - b. Where after diligent efforts by the City Treasurer and his/her staff or other City Department or City Agent it is determined by the City Department or City Agent that further efforts towards collection will not be fruitful and the account has been outstanding not less than 3 (three) years.
 - c. Where after diligent effort by the City Treasurer and his/her staff, it is determined that the best effort toward collection is to charge off the account and send it to a collection agency for collection.

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- d. Following any bankruptcy discharge of the debtor or any probate case whereby the estate has not had sufficient funds to satisfy the City's proof of claim.
- e. Where after diligent collection efforts by the City Treasurer and his/her staff or other City Department or City Agent it is determined that the City will be best served by waiving amounts billed up to two hundred dollars (\$200.00) per invoice as equity may require. In instances that circumstances may warrant consideration of an invoice in excess of two hundred dollars (\$200.00), the approval of a waiver up to 15% of the total invoice may be granted following concurrence of the City Attorney and City Comptroller or their designees.